

Message Text

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ACTION EUR-25

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AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

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C O N F I D E N T I A L EC BRUSSELS 6396

AEC PASS C. LARSON, OCM; J. FLAHERTY, AGM; A. FRIEDMAN, DIP

E.O. 11652: GDS

TAGS: TECH

SUBJECT: ENRICHED URANIUM

1. J. RUBIN IN HIS CAPACITY AS SENIOR AEC REPRESENTATIVE IN
EUROPE WAS INTERVIEWED TODAY AT REQUEST OF MR. NICOLAS VICHNEY,
SCIENCE EDITOR FOR LE MONDE, THE LEADING FRENCH NEWSPAPER. SOLE
TOPIC OF DISCUSSION WAS URANIUM ENRICHMENT. THE INTERVIEW WAS
ON A "NOT FOR ATTRIBUTION" BASIS. PRINCIPAL FOCUS OF
QUESTIONS WAS DIRECTED AT US REACTION TO (1) PLANS BY EURODIF
AND URENCO GROUPS TO ESTABLISH EUROPEAN ENRICHMENT CAPACITY,
AND (2) REACTION OF US IF EUROPEAN COMMUNITY "IMPLEMENT
EXISTING EURATOM AUTHORITY" TO REQUIRE PURCHASE OF ENRICHED
URANIUM FROM MEMBER STATES AND THEREBY EXCLUDE THE US
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FROM COMPETING FOR ANY OF THE MARKET. RUBIN'S ANSWER TO FIRST

QUESTION NOTED USAEC PUBLISHED PROJECTIONS THAT OVER 50 PERCENT OF THE FOREIGN MARKET AFTER PRESENT US ENRICHMENT CAPACITY FULLY COMMITTED WOULD BE SUPPLIED BY FOREIGN SOURCES. NO ATTEMPT WAS MADE TO SPECIFICALLY ANSWER QUESTION #2 EXCEPT TO POINT OUT THAT BROADER GOVERNMENT AGREEMENTS ON RESTRICTING TRADE BY WOULD BE ASSESSED BY THE US IF AND WHEN THE QUESTION ARISES. ALSO A WELL KNOWN CONCERN OF SEVERAL EUROPEAN UTILITIES WAS NOTED THAT THE THREE COUNTRIES (CANADA, SOUTH AFRICA AND THE US) WHICH HOLD ABOUT 80 PERCENT OF THE WORLD NATURAL URANIUM RESERVES COULD RETALIATE TO PROTECT THEIR INVESTMENT IN ENRICHMENT PLANTS BY ELIMINATING THE PRESENT PRACTICE OF TOLL ENRICHING SERVICE AND IN THE FUTURE ONLY SELL ENRICHED URANIUM.

2. THE FOCUS OF THE INTERVIEW AGAIN POINTS OUT THAT DISCUSSIONS HAVE OCCURRED AND ARE CONTINUING IN CONNECTION WITH ESTABLISHING A EUROPEAN ENRICHMENT CAPACITY, PARTICULARLY UNDER EURODIF, TO INCLUDE SOME BINDING AGREEMENT BY UTILITIES IN THE MEMBER STATES OF THE EUROPEAN COMMUNITY TO PURCHASE THEIR REQUIREMENTS INTERNALLY. THIS WOULD RESULT IN THE US BEING ELIMINATED FROM ANY SHARE OF THE MAJOR PART OF THE EURATOM MARKET. IT IS POSSIBLE THE EXCLUSION WOULD BE FOR AN INTERIM PERIOD SUCH AS 1980-1985 TO HELP GET A EUROPEAN CAPACITY ESTABLISHED. (THIS TRACKS THE STORY BY SPAAK REPORTED BY NELSON SIEVERING AT HEIDENRICH LUNCH ON OCTOBER 30, 1973.) VICHNEY SUGGESTED THIS WOULD BE NO DIFFERENT THAN THE PRESENT US EMBARGO ON IMPORT OF NATURAL URANIUM TO THE US FOR DOMESTIC USE.

3. IN LIGHT OF THE ABOVE THE AEC IN COUNCIL WITH OTHERS IN WASHINGTON SHOULD SERIOUSLY START NOW TO ASSESS WHAT IT COULD AND WOULD DO IF THE EUROPEAN COMMUNITY EXERCISES ITS REPORTED EURATOM AUTHORITY TO REQUIRE MEMBER STATES TO BUY ENRICHMENT SERVICE INTERNALLY AND EXCLUDE THE US AND OTHERS FROM THE MARKET. IN FACT IT MIGHT BE GOOD TACTICS TO SELECTIVELY INFORM KEY EUROPEAN COMMUNITY OFFICIALS OF THE US POSITION ON THIS POSSIBILITY IN ORDER TO HOPEFULLY AVOID ITS OCCURRENCE RATHER THAN HAVE TO REACT SHOULD IT OCCUR.

4. VICHNEY STATED THE FRENCH WOULD LIKELY DECIDE WITHIN A MONTH WHETHER TO PROCEED WITH EURODIF AND WAS CONFIDENT THEY

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WOULD. HE WAS NOT AS CERTAIN THAT THEY WOULD DECIDE TO PROCEED ALONE WHICH MEANS THEY ALREADY HAVE SUFFICIENT SUPPORT OR WILL ATTEMPT TO COUNTER THE URENCO MOMENTUM PROVIDED BY THE RECENT 1300 TONNE ORDER FROM CEGB.GREENWALD

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